UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 27, 2008

Lithia Motors, Inc.
(Exact Name of Registrant as specified in its charter)

Oregon	0-21789	93 - 0572810
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

360 E. Jackson Street
Medford, Oregon 97501
(Address of Principal Executive Office)

Registrant's telephone number including area code 541-776-6868

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))

Item 7.01 Regulation FD Disclosure.

On February 27, 2008, Lithia Motors, Inc. issued a press release announcing that Chairman and Chief Executive Officer, Sid DeBoer; and Chief Financial Officer, Jeff DeBoer will give a presentation at the Raymond James 29th Annual Institutional Investors Conference being held at the Hyatt Regency Grand Cypress in Orlando, Florida beginning at approximately 1:40 pm ET on Wednesday, March 5th, 2008.

This conference will have a slide presentation and live audio webcast, with a replay available for at least 30 days, accessible through the Investor Relations section of Lithia's website. Log-on to: www.lithia.com - go to Investor Relations.

A copy of the press release is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(a)	Not applicable.
(b)	Not applicable.
(c)	Exhibits.
	99.1 Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LITHIA MOTORS, INC.
(Registrant)

Date:	February 27, 2008	By:	/s/ Kenneth E. Roberts
			Kenneth E. Roberts
			Assistant Secretary

---

ontaining 20 beds at one of our wholly-owned properties in October 2014.

(5) Includes revenues that are reflected as Resident Services Revenue on the accompanying consolidated statements of comprehensive income.

Same Store Properties. The increase in revenue from our same store properties was primarily due to an increase in average rental rates for the 2014/2015 academic year and an increase in average occupancy from 96.8% during the three months ended March 31, 2014 to 97.6% during the three months ended March 31, 2015. Future revenues will be dependent on our ability to maintain our current leases in effect for the 2014/2015 academic year and our ability to obtain appropriate rental rates and desired occupancy for the 2015/2016 academic year at our various properties.

The increase in operating expenses from our same store properties was primarily due to (i) an increase in property taxes on 2013 development deliveries and property acquisitions that were assessed at full value for the first time, (ii) an increase in general and

---

administrative costs associated with the development of our operating systems platform, and (iii) an increase in payroll caused by inflation. These increases were partially offset by a decrease in marketing expense as a result of the strategic refinement of our marketing activities. We anticipate that operating expenses for our same store property portfolio for 2015 will increase as compared with 2014 for the reasons discussed above.

New Property Operations. Our new properties for the three months ended March 31, 2015 are summarized in the table below:

Property	Location	Primary University Served	Beds	Acquisition/Opening Date
Acquisitions:				
The Standard	Athens, GA	University of Georgia	610	October 2014
Park Point	Syracuse, NY	Syracuse University	226	February 2015
1200 West Marshall	Richmond, VA	Virginia Commonwealth University	406	March 2015
8 1/2 Canal Street	Richmond, VA	Virginia Commonwealth University	540	March 2015
Vistas San Marcos	San Marcos, TX	Texas State University	600	March 2015
University Walk	Knoxville, TN	University of Tennessee	526	August 2014
		SUBTOTAL - Acquisitions	2,908	
Owned Developments:				
Merwick Stanworth Phase I	Princeton, NJ	Princeton University	214	June 2014
The Plaza on University	Orlando, FL	University of Central Florida	1,313	August 2014
U Club on Frey Phase II	Kennesaw, GA	Kennesaw State University	408	August 2014
U Centre at Northgate	College Station, TX	Texas A&M University	784	August 2014
The Suites Phase II	Flagstaff, AZ	Northern Arizona University	328	August 2014
		SUBTOTAL - Owned Developments	3,047	
Planned Redevelopment:				
Sunnyside Commons	Morgantown, WV	West Virginia University	136	Fall 2016
		TOTAL - New Properties	6,091	

On-Campus Participating Properties ("OCPP") Operations

Same Store OCPP Properties. We had four participating properties containing 4,519 beds which were operating during the three months ended March 31, 2015 and 2014. Revenues from these properties remained constant at $8.2 million for the comparable three month periods as a result of an increase in average rental rates for the 2014/2015 academic year, offset by a decrease in average occupancy from 95.6% for the three months ended March 31, 2014 to 94.9% for the three months ended March 31, 2015.

New Property Operations. In August 2014, we completed construction on College Park, a 567-bed on-campus participating property serving students attending West Virginia University. This property contributed additional revenue and operating expenses of approximately $1.0 million and $0.3 million, respectively, during the three months ended March 31, 2015.

Third-Party Development Services Revenue

Third-party development services revenue increased by approximately $0.4 million, from $0.2 million during the three months ended March 31, 2014 to $0.6 million for the three months ended March 31, 2015. This increase was primarily due to continued construction progress for two third-party on-campus development projects at the University of Toledo and Texas A&M University - Corpus Christi, which commenced construction in June 2014 and July 2014, respectively. These two projects contributed $0.3 million of revenue recognized during the three months

ended March 31, 2015. We anticipate third-party development services revenue for the full year to decrease as compared to 2014 levels due to fewer contracts commencing construction in 2015 as compared to 2014.

Development services revenues are dependent on our ability to successfully be awarded such projects, the amount of the contractual fee related to the project and the timing and completion of the development and construction of the project. In addition, to the extent projects are completed under budget, we may be entitled to a portion of such savings, which are recognized as revenue when performance has been agreed upon by all parties, or when performance has been verified by an independent third-party. It is possible that projects for which we have deferred pre-development costs will not close and that we will not be reimbursed for such costs. The pre-development costs associated therewith will ordinarily be charged against income for the then-current period.

Third-Party Development and Management Services Expenses

Third-party development and management services expenses increased by approximately $0.3 million, from $2.8 million during the three months March 31, 2014 to $3.1 million for the three months ended March 31, 2015. This increase was primarily a result of the timing of new management contracts awarded in 2014 and 2015, as well as general inflation. We anticipate third-party development and management services expenses will increase in 2015 as compared to 2014 for the reasons discussed above.

General and Administrative

General and administrative expenses increased by approximately $0.4 million, from $4.4 million during the three months ended March 31, 2014 to $4.8 million for the three months ended March 31, 2015. This increase was primarily due to additional expenses incurred in connection with enhancements to our operating system platforms, additional payroll, health care and benefits expense, public company costs and other general inflationary factors. We anticipate general and administrative expenses will increase in 2015 as compared to 2014 for the reasons discussed above.

Depreciation and Amortization

Depreciation and amortization increased by approximately $2.5 million, from $48.2 million during the three months ended March 31, 2014 to $50.7 million for the three months ended March 31, 2015. This increase was primarily due to the completion of construction and opening of five owned development properties, one mezzanine development property that we consolidated for financial reporting purposes prior to our purchase in February 2015, and one on-campus participating property, in June and August 2014, which contributed approximately $2.9 million of additional depreciation and amortization expense during the three months ended March 31, 2015. In addition, property acquisition activity in October 2014 and the first quarter of 2015 contributed approximately $1.2 million of additional depreciation and amortization expense during the three months ended March 31, 2015. These increases were partially offset by a decrease in depreciation and amortization expense of approximately $1.5 million related to the sale of one property in September 2014 and 10 properties in the first quarter of 2015.

We expect depreciation and amortization expense to increase in 2015 as a result of the completion of owned development projects placed into service in Fall 2014, the anticipated completion of four owned development projects in August and September 2015, and potential future acquisition opportunities in 2015, offset by a reduction in depreciation and amortization related to the disposition of the properties discussed above along with additional disposition activity planned for the remainder of 2015.

Ground/Facility Leases

Ground/facility leases expense increased by approximately $0.5 million, from $1.6 million during the three months ended March 31, 2014 to $2.1 million for the three months ended March 31, 2015. This increase was primarily due to the timing of ACE development projects placed into service during 2014, which contributed approximately $0.3 million of additional ground/facility leases expense during the three months ended March 31, 2015. The recently completed on-campus participating property placed into service in August 2014, along with improved operating results at two other on-campus participating properties during the comparable periods contributed the remaining $0.2 million increase to ground/facility leases expense during the three months ended March 31, 2015. We anticipate ground/facility leases expense to increase in 2015 as compared to 2014 for the reasons discussed above, along with the planned completion of construction and commencement of operations of one ACE development project in September 2015.

Interest Expense

Interest expense increased by approximately $0.9 million, from $21.1 million during the three months ended March 31, 2014 to $22.0 million for the three months ended March 31, 2015. We incurred additional interest expense of

approximately $4.2 million during the three months ended March 31, 2015 related to our $400 million offering of senior unsecured notes, which closed on June 24, 2014. This increase was offset by a decrease of approximately $2.2 million during the three months ended March 31, 2015, related to the payoff of mortgage and construction loans during the past 15 months and the payoff of our secured agency facility on September 1, 2014. In addition, interest expense decreased by approximately $0.5 million as a result of an increase in capitalized interest due to the timing and volume of construction activities on our owned development projects during the comparable three month periods. Lastly, interest expense decreased by approximately $0.5 million related to a decrease in borrowings under our unsecured revolving credit facility during the comparable three month periods. We anticipate interest expense will increase in 2015 as compared to 2014 for the reasons discussed above, along with an anticipated bond offering in 2015, offset by a decrease in interest expense related to the expected payoff of outstanding mortgage loans that mature during the remainder of 2015.

Gain from Disposition of Real Estate

During the three months ended March 31, 2015, we sold ten wholly-owned properties containing 6,001 beds, resulting in a net gain from disposition of real estate of approximately $44.3 million. As discussed above, these properties do not represent a strategic shift in our operations, no longer qualify as discontinued operations and are are classified within income from continuing operations on the consolidated statements of comprehensive income. Refer to Note 4 in the accompanying Notes to Consolidated Financial Statements contained in Item 1 for additional details regarding the disposal of these properties.

Loss from Early Extinguishment of Debt

During the three months ended March 31, 2015, we incurred approximately $0.6 million of losses associated with the early pay off of two mortgage loans in connection with the sale of two wholly-owned properties.

Discontinued Operations

Discontinued operations on the accompanying consolidated statements of comprehensive income for the three months ended March 31, 2014 includes Hawks Landing, a wholly-owned property that was sold in February 2014. As discussed in Note 4 in the accompanying Notes to Consolidated Financial Statements contained in Item 1, the disposal of Hawks Landing was not subject to the new accounting guidance for discontinued operations because it was classified as held for sale as of December 31, 2013.

Noncontrolling Interests

Noncontrolling interests represent holders of common and preferred units in our Operating Partnership not held by ACC or ACC Holdings as well as certain third-party partners in joint ventures consolidated by us for financial reporting purposes. Accordingly, these external partners are allocated their share of income/loss during the respective reporting periods. Refer to Note 10 in the accompanying Notes to Consolidated Financial Statements in Item 1 for a detailed discussion of noncontrolling interests.

Liquidity and Capital Resources

Cash Balances and Cash Flows

As of March 31, 2015, excluding our on-campus participating properties, we had $34.0 million in cash and cash equivalents and restricted cash as compared to $45.5 million in cash and cash equivalents and restricted cash as of December 31, 2014. Restricted cash primarily consists of escrow accounts held by lenders and resident security deposits, as required by law in certain states, and funds held in escrow in connection with potential acquisition and development opportunities. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our consolidated statements of cash flows included in Item 1.

Operating Activities: For the three months ended March 31, 2015, net cash provided by operating activities was approximately $74.2 million, as compared to approximately $61.1 million for the three months ended March 31, 2014, an increase of $13.1 million. This increase in cash provided by operating activities was primarily due to operating cash flows provided from the timing of the acquisition of five properties in 2014 and 2015 and the completion of construction and opening of six owned development projects and one on-campus participating project in Fall 2014, offset by the sale of 10 properties during the three months ended March 31, 2015.

Investing Activities: Investing activities utilized approximately $11.3 million and $90.0 million for the three months ended March 31, 2015 and 2014, respectively. The $78.7 million decrease in cash utilized in investing activities was primarily a result of the following: (i) a $225.2 million increase in proceeds from the disposition of wholly owned properties as we sold ten properties during the three months ended March 31, 2015, as compared to one property during the the comparable three month period in 2014; (ii) an $11.5 million decrease in cash used during the three months ended March 31, 2015, to fund the construction of an on-campus participating property located in Morgantown, West Virgina which opened for occupancy in August 2014; and (iii) a $3.0 million decrease in cash used to fund the construction of our wholly-owned development properties, as eight wholly-owned properties were under construction during the three months ended March 31, 2014, of which five completed construction in Fall 2014, as compared to seven wholly-owned properties that were under construction during the three months ended March 31, 2015, of which four are scheduled for completion in Fall 2015. These decreases in cash utilized in investing activities were partially offset by (i) a $154.5 million increase in cash paid to acquire properties and undeveloped land parcels as we acquired five wholly-owned properties during the three months ended March 31, 2015, compared to the purchase of a site containing an existing hotel

36

---

in Boulder, Colorado and one land parcel during the three months ended March 31, 2014; (ii) a $2.7 million increase in cash used to fund capital expenditures at our wholly-owned properties during the comparable three month periods; (iii) paid $1.7 million during the three months ended March 31, 2015 to acquire the remaining noncontrolling interest from a third-party partner that developed University Walk (see Note 10); and (iv) a $1.3 million increase in corporate capital expenditures during the comparable three month periods associated with our investment in upgrading our operating system platforms.

Financing Activities: Cash used in financing activities for the three months ended March 31, 2015 totaled approximately $70.1 million as compared to $21.4 million in cash provided by financing activities during the three months ended March 31, 2014. The $91.5 million decrease in cash provided by financing activities was primarily a result of the following: (i) a $231.6 million increase in pay downs (net of proceeds) on our unsecured revolving credit facility during the comparable three month periods; (ii) a $56.8 million increase in cash used to pay off maturing mortgage and construction debt during the comparable three month periods; (iii) an $11.9 million decrease in construction loan proceeds during the comparable three month periods as the development and construction of an on-campus participating property, which opened for occupancy in August 2014, was financed with a construction loan; and (iv) a $4.9 million increase in distributions to stockholders during the comparable three month periods, as a result of the recent issuance of common stock under our at-the-market share offering program (“ATM Equity Program”) discussed below and an increase to the quarterly dividend per share of common stock in May 2014. These decreases in cash provided by financing activities were partially offset by the issuance of common stock under our ATM Equity Program during the three months ended March 31, 2015, which raised $213.4 million in net proceeds.

Liquidity Needs, Sources and Uses of Capital

As of March 31, 2015, our short-term liquidity needs included, but were not limited to, the following: (i) anticipated distribution payments to our common and restricted stockholders totaling approximately $180.8 million based on an assumed annual cash distribution of $1.60 per share based on the number of our shares outstanding as of March 31, 2015, (ii) anticipated distribution payments to our Operating Partnership unitholders totaling approximately $2.5 million based on an assumed annual distribution of $1.60 per common unit and a cumulative preferential per annum cash distribution rate of 5.99% on our Series A preferred units based on the number of units outstanding as of March 31, 2015, (iii) pay off of approximately $119.9 million of outstanding fixed rate mortgage debt scheduled to mature during the next 12 months, (iv) estimated development costs over the next 12 months totaling approximately $204.7 million for our wholly-owned properties currently under construction, (v) funds for other development projects scheduled to commence construction during the next 12 months, and (vi) potential future property acquisitions, including mezzanine financed developments.

We expect to meet our short-term liquidity requirements by (i) borrowing under our existing unsecured credit facility discussed below, (ii) accessing the unsecured bond market, (iii) issuing securities, including common stock, under our ATM Equity Program discussed more fully in Note 9 in the accompanying Notes to Consolidated Financial Statements contained in Item 1, (iv) potentially disposing of properties depending on market conditions, and (v) utilizing current cash on hand and net cash provided by operations.

We may seek additional funds to undertake initiatives not contemplated by our business plan or obtain additional cushion against possible shortfalls. We also may pursue additional financing as opportunities arise. Future financings may include a range of different sizes or types of financing, including the incurrence of additional secured debt and the sale of additional debt or equity securities. These funds may not be available on favorable terms or at all. Our ability to obtain additional financing depends on several factors, including future market conditions, our success or lack of success in penetrating our markets, our future creditworthiness, and restrictions contained in agreements with our investors or lenders, including the restrictions contained in the agreements governing our unsecured credit facility and unsecured notes. These financings could increase our level of indebtedness or result in dilution to our equity holders.

Distributions

We are required to distribute 90% of our REIT taxable income (excluding capital gains) on an annual basis in order to qualify as a REIT for federal income tax purposes. Distributions to common stockholders are at the discretion of the Board of Directors. We may use borrowings under our unsecured revolving credit facility to fund distributions. The Board of Directors considers a number of factors when determining distribution levels, including market factors and our Company’s performance in addition to REIT requirements.

On May 6, 2015, we declared a first quarter 2015 distribution per share of $0.40, which will be paid on May 29, 2015 to all common stockholders of record as of May 18, 2015. At the same time, the Operating Partnership will pay an equivalent amount per unit to holders of Common Units, as well as the quarterly cumulative preferential distribution to holders of Series A Preferred Units.

Pre-Development Expenditures

Our third-party and owned development activities have historically required us to fund pre-development expenditures such as architectural fees, permits and deposits. The closing and/or commencement of construction of these development projects is subject to a number of risks such as our inability to obtain financing on favorable terms and delays or refusals in obtaining necessary zoning, land use, building, and other required governmental permits and authorizations As such, we cannot always predict accurately the liquidity needs of these activities. We frequently incur these pre-development expenditures before a financing commitment and/or required permits and authorizations have been obtained. Accordingly, we bear the risk of the loss of these pre-development expenditures if financing cannot ultimately be arranged on acceptable terms or we are unable to successfully obtain the required permits and authorizations. Historically, our third-party and owned development projects have been successfully structured and financed; however, these developments have at times been delayed beyond the period initially scheduled, causing revenue to be recognized in later periods. As of March 31, 2015, we have deferred approximately $2.5 million in pre-development costs related to third-party and owned development projects that have not yet commenced construction.

Indebtedness

A summary of our consolidated indebtedness as of March 31, 2015 is as follows:

	Amount	% of Total		Weighted Average Rates		Weighted Average Maturities (years)
Secured	$1,136,604	42.6	%	5.22	%	5.3 Years
Unsecured	1,531,900	57.4	%	3.06	%	5.8 Years
Total consolidated debt	$2,668,504	100.0	%	3.98	%	5.6 Years
Fixed rate debt						
Secured						
Project-based taxable bonds (1)	$39,785	1.5	%	7.56	%	9.5 Years
Construction (2)	44,200	1.7	%	3.85	%	30.3 Years
Mortgage (3)	1,052,619	39.4	%	5.19	%	4.1 Years
Unsecured						
3.750% Notes, due April 2023 (4)	400,000	15.0	%	3.75	%	8.0 Years
4.125% Notes, due July 2024 (5)	400,000	15.0	%	4.25	%	9.3 Years
Term loan (6) (7)	350,000	13.1	%	2.39	%	1.8 Years
Total - fixed rate debt	2,286,604	85.7	%	4.36	%	5.9 Years
Variable rate debt:						
Unsecured						
Revolving credit facility (7)	131,900	4.9	%	1.73	%	2.9 Years
Term loan (7)	250,000	9.4	%	1.68	%	3.9 Years
Total - variable rate debt	381,900	14.3	%	1.70	%	3.6 Years
Total consolidated debt	$2,668,504	100.0	%	3.98	%	5.6 Years

(1) Three of our on-campus participating properties are 100% financed with project-based taxable bonds.

(2) Represents a construction loan used to finance the development and construction of an on-campus participating property located in Morgantown, West Virginia, which completed construction and opened for occupancy in

August 2014. The loan bears interest at a rate of 3.85% per annum for the first five years and one-month LIBOR plus 2.5% for the remaining term of the loan. The loan requires payments of interest only during the first two years and principal and interest payments begin in August 2015.

(3) A total of 48 of our properties are encumbered with mortgage debt. Balance excludes net unamortized debt premiums and debt discounts related to mortgage loans assumed in connection with property acquisitions of approximately $58.6 million and $0.7 million, respectively.

(4) 10-year notes were issued at 99.659% of par value with a coupon of 3.750% and a yield of 3.791%. Balance excludes unamortized original issue discount of approximately $1.1 million.

(5) 10-year notes were issued at 99.861% of par value with a coupon of 4.125% and a yield of 4.142%. Balance excludes unamortized original issue discount of approximately $0.5 million.

(6) As discussed more fully in Note 8 and Note 12 in the accompanying Notes to Consolidated Financial Statements contained in Item 1, we have entered into multiple interest rate swap contracts that effectively fix the interest rate on the outstanding balance for this term loan.

(7) As discussed more fully in Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 1, we have an aggregate unsecured credit facility totaling $1.1 billion, which is comprised of two unsecured term loans totaling $600 million and a $500 million unsecured revolving credit facility.

Funds From Operations (“FFO”)

The National Association of Real Estate Investment Trusts (“NAREIT”) currently defines FFO as net income or loss attributable to common shares computed in accordance with generally accepted accounting principles (“GAAP”), excluding gains or losses from depreciable operating property sales, impairment charges and real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO excludes GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. We therefore believe that FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, and interest costs, among other items, providing perspective not immediately apparent from net income. We compute FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999 and April 2002), which may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly, may not be comparable to such other REITs.

We also believe it is meaningful to present a measure we refer to as FFO-Modified, or FFOM, which reflects certain adjustments related to the economic performance of our on-campus participating properties and other nonrecurring items. Under our participating ground leases, we and the participating university systems each receive 50% of the properties’ net cash available for distribution after payment of operating expenses, debt service (which includes significant amounts towards repayment of principal) and capital expenditures. A substantial portion of our revenues attributable to these properties is reflective of cash that is required to be used for capital expenditures and for the amortization of applicable property indebtedness. These amounts do not increase our economic interest in these properties or otherwise benefit us since our interest in the properties terminates upon the repayment of the applicable property indebtedness. Therefore, unlike the ownership of our wholly-owned properties, the unique features of our ownership interest in our on-campus participating properties cause the value of these properties to diminish over time. For example, since the ground/facility leases under which we operate the participating properties require the reinvestment from operations of specified amounts for capital expenditures and for the repayment of debt while our interest in these properties terminates upon the repayment of the debt, such capital expenditures do not increase the value of the property to us and mortgage debt amortization only increases the equity of the ground lessor. Accordingly, we believe it is meaningful to modify FFO to exclude the operations of our on-campus participating properties and to consider their impact on our performance by including only that portion of our revenues from those properties that are reflective of our share of net cash flow and the management fees that we receive, both of which increase and decrease with the operating performance of the properties. This narrower measure of performance measures our profitability for these properties in a manner that is similar to the measure of our profitability from our

services business where we similarly incur no initial or ongoing capital investment in a property and derive only consequential benefits from capital expenditures and debt amortization. We believe, however, that this narrower measure of performance is inappropriate in traditional real estate ownership structures where debt amortization and capital expenditures enhance the property owner's long-term profitability from its investment. When calculating FFOM, we also exclude losses from early extinguishment of debt incurred in connection with property dispositions, property acquisition costs and other non-cash items, as we determine in good faith.

Our FFOM may have limitations as an analytical tool because it reflects the contractual calculation of net cash flow from our on-campus participating properties, which is unique to us and is different from that of our owned off-campus properties. Companies that are considered to be in our industry may not have similar ownership structures; and therefore those companies may not calculate FFOM in the same manner that we do, or at all, limiting its usefulness as a comparative measure. We compensate for these limitations by relying primarily on our GAAP and FFO results and using FFOM only supplementally. Further, FFO and FFOM

39

do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties. FFO and FFOM should not be considered as alternatives to net income or loss computed in accordance with GAAP as an indicator of our financial performance, or to cash flow from operating activities computed in accordance with GAAP as an indicator of our liquidity, nor are these measures indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions.

The following table presents a reconciliation of our net income attributable to common shareholders to FFO and FFOM:

	Three Months Ended March 31,	
	2015	2014
Net income attributable to American Campus Communities, Inc. and Subsidiaries	$70,197	$28,398
Noncontrolling interests	1,070	469
Gain from disposition of real estate	(44,252)	(2,843)
Real estate related depreciation and amortization	50,024	47,768
Funds from operations ("FFO")	77,039	73,792
Elimination of operations of on-campus participating properties:		
Net income from on-campus participating properties	(2,668)	(2,871)
Amortization of investment in on-campus participating properties	(1,716)	(1,212)
	72,655	69,709
Modifications to reflect operational performance of on-campus participating properties:		
Our share of net cash flow [(1)]	875	627
Management fees	427	375
On-campus participating properties development fees [(2)]	—	237
Impact of on-campus participating properties	1,302	1,239
Property acquisition costs	1,530	—
Elimination of loss from early extinguishment of debt [(3)]	595	—
Funds from operations – modified ("FFOM")	$76,082	$70,948
FFO per share – diluted	$0.68	$0.69
FFOM per share – diluted	$0.67	$0.66
Weighted average common shares outstanding – diluted	112,974,505	106,899,680

(1) 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (including repayment of principal) and capital expenditures. Represents amounts accrued for the interim periods.

(2) Represents development and construction management fees related to the West Virginia University on-campus participating property, which completed construction in August 2014.

(3) Represents losses associated with the early pay-off of mortgage loans for The View and University Meadows in connection with the sale of these properties in January and February 2015, respectively. Such costs are excluded from gains from disposition of real estate reported in accordance with GAAP. However, we view the losses from early extinguishment of debt associated with the sales of real estate as an incremental cost of the sale transactions because we extinguished the debt in connection with the consummation of the sale transactions and we had no intent to extinguish the debt absent such transactions. We believe that adjusting FFO to exclude these losses more appropriately reflects the results of our operations exclusive of the impact of our disposition transactions.

Inflation

Our student leases do not typically provide for rent escalations. However, they typically do not have terms that extend beyond 12 months. Accordingly, although on a short term basis we would be required to bear the impact of rising costs resulting from inflation, we have the opportunity to raise rental rates at least annually to offset such rising costs. However, a weak economic environment or declining student enrollment at our principal universities may limit our ability to raise rental rates.

40

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss from adverse changes in market prices and interest rates. Our future earnings and cash flows are dependent upon prevailing market rates. Accordingly, we manage our market risk by matching projected cash inflows from operating, investing and financing activities with projected cash outflows for debt service, acquisitions, capital expenditures, distributions to stockholders and unitholders, and other cash requirements. The majority of our outstanding debt has fixed interest rates, which minimizes the risk of fluctuating interest rates. Our exposure to market risk includes interest rate fluctuations in connection with our revolving credit facilities and variable rate construction loans and our ability to incur more debt without stockholder approval, thereby increasing our debt service obligations, which could adversely affect our cash flows. No material changes have occurred in relation to market risk since our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 4. Controls and Procedures

American Campus Communities, Inc.

(a) Evaluation of Disclosure Controls and Procedures

As required by SEC Rule 13a-15(b), we have carried out an evaluation, under the supervision of and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures for the quarter covered by this report were effective at the reasonable assurance level.

(b) Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

American Campus Communities Operating Partnership, L.P.

(a) Evaluation of Disclosure Controls and Procedures

As required by SEC Rule 13a-15(b), we have carried out an evaluation, under the supervision of and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures for the quarter covered by this report were effective at the reasonable assurance level.

(b) Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to various claims, lawsuits and legal proceedings that arise in the ordinary course of business. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on the our consolidated financial position or our results of operations.

Item 1A. Risk Factors

There have been no material changes to the risk factors that were discussed in Part 1, Item 1A of the Company’s and the Operating Partnership’s Annual Report on Form 10-K for the year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Document
31.1	American Campus Communities, Inc. - Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	American Campus Communities, Inc. - Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	American Campus Communities Operating Partnership, L.P. - Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	American Campus Communities Operating Partnership, L.P. - Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	American Campus Communities, Inc. - Certification of Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	American Campus Communities, Inc. - Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	American Campus Communities Operating Partnership, L.P. - Certification of Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4	American Campus Communities Operating Partnership, L.P. - Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 8, 2015

AMERICAN CAMPUS COMMUNITIES, INC.

By: /s/ William C. Bayless, Jr.

William C. Bayless, Jr.
President and Chief Executive Officer

By: /s/ Jonathan A. Graf

Jonathan A. Graf
Executive Vice President,
Chief Financial Officer, Treasurer
and Secretary

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 8, 2015

AMERICAN CAMPUS COMMUNITIES
OPERATING PARTNERSHIP, L.P.
By: American Campus Communities Holdings, LLC, its general partner
By: American Campus Communities, Inc., its sole member

By: /s/ William C. Bayless, Jr.

William C. Bayless, Jr.
President and Chief Executive Officer

By: /s/ Jonathan A. Graf

Jonathan A. Graf
Executive Vice President,
Chief Financial Officer, Treasurer
and Secretary

44